UNITED
NATIONS

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Security Council

Distr.
GENERAL

S/24602
29 September 1992

ORIGINAL: ENGLISH

NOTE VERBALE DATED 25 SEPTEMBER 1992 FROM THE PERMANENT REPRESENTATIVE OF CZECHOSLOVAKIA TO THE UNITED NATIONS ADDRESSED TO THE PRESIDENT OF THE SECURITY COUNCIL

The Permanent Representative of the Czech and Slovak Federal Republic to the United Nations presents his compliments to the President of the Security Council and has the honour to refer to his note (S/24150) by which the Permanent Mission informed the Secretary-General of measures adopted by the Government and the Presidium of the Federal Assembly of the Czech and Slovak Federal Republic in the implementation of Security Council resolution 757 (1992) of 30 May 1992.

The strict implementation of sanctions against the Federal Republic of Yugoslavia (Serbia and Montenegro) by all legal and natural persons in the Czech and Slovak Federal Republic has had and continues to have serious negative effects on the Czechoslovak economy. In the June-July period alone, the losses suffered by Czechoslovak enterprises reached US$ 51 million. According to sober estimates, the overall losses of the Czech and Slovak Federal Republic will reach about US$ 256 million by the end of 1992.

The negative economic effects of the sanctions are most striking in the following respects:

(a) The failure to reach the volume of exchange of goods and services agreed between the Czech and Slovak Federal Republic and the Federal Republic of Yugoslavia for 1992;

(b) The suspension of supplies of goods and services aimed at covering the Czechoslovak active balance of payments resulting from former clearing system of payment;

(c) The non-payment of outstanding debts to Czechoslovak subjects, arising from credits granted to enterprises on the territory of the Federal Republic of Yugoslavia (Serbia and Montenegro);

(d) Losses arising from the suspension of transport by water, railway and air of goods and passengers to and from the Federal Republic of Yugoslavia (Serbia and Montenegro).

The above-mentioned losses seriously affect the whole Czechoslovak economy in the present situation when the Czech and Slovak Federal Republic is undergoing the process of economic transformation, accompanied by market and financial crisis of enterprises, caused i.a. by the disintegration of the former Council for Mutual Economic Assistance (CMEA) markets.

For these reasons, the Czech and Slovak Federal Republic, with reference to article 50 of the Charter of the United Nations, would like to exercise its right to consult the Security Council with regard to the solution of special economic problems arising from carrying out sanctions against the Federal Republic of Yugoslavia (Serbia and Montenegro).